# LOGICON, INC.

Herndon, VA

DCAA: Shawn Boynton

DACO: Harry Morris

Logicon: Jeff Boyers, Controller

What is Happening at your Location?

What is your Contractor Doing?

# Where has Logicon been?

# A Decision was Made in Early 1999 to Adopt a Strategy to Facilitate Growth

The Strategy Included:

— The review and selection of a new financial application

— A radical re-design of all of Logicon's finance processes by:

- Following Northrop Grumman's lead and initiating a comprehensive benchmark analysis of Logicon's finance organization
- Launching the Business Process Reengineering Project to design the future Logicon finance organization
- Leveraging the capabilities of Logicon's next generation of financial application


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# The Financial Processes Targeted for the BPR Initiative were:

**Supplier**

- Procurement (Requisitioning, Purchase Order Processing and Vendor Masterfile maintenance)
- Accounts Payable
- Travel & Entertainment

**People**

- Time and Attendance
- Payroll
- Employee Data Management

**Accounting/Information**

- General Accounting (includes all closing, consolidation and intercompany activities)
- Project Accounting
- Business Performance Reporting
- Fixed Assets

**Customer**

- Billing
- Accounts Receivable
- Collections



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# Business Process Re-engineering Project Approach

- Conducted interactive workshops with Business Unit representatives to document current state processes
- Distributed activity surveys to business unit employees and tabulated results
- Contrasted the current state against best practices
- Developed future state visions and quantified benefits
- Conducted interactive workshops with Business Unit representatives to identify process improvement opportunities and ERP dependant initiatives
- Conducted interactive workshops with Business Unit representatives to identify processes for Shared Services
- Completed benchmark study of Logicon's finance organization


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Logicon already had a vision/road map before they spoke with vendors - so they know what they want of the software to do (including future output and products)

# Logicon selected Lawson in 11/1999

- Other choices considered were SAP and PEOPLESOFT, DELTEK, ORACLE/JAMIS
- Lawson provided the best match in the government professional services arena
- Lawson is already web based, and the others are not (to the same extent as Lawson)

# Logicon teams were formed

- Teams of FUNCTIONAL people - who will remain to run the new system after implementation
- DCAA was approached and offered a spot as a team member (we declined based on resource issues - our Regional EDP staff also did not get involved based on resource issues)
- A walk through was completed in 5/2000

# Where are they now?

# Logicon is working on the design document (nearly complete)

- The intent is to implement a COTS package
- Logicon is a SEI Level 3 certified organization - a COTS package won’t create an exposure issue with that certification (exception is in data conversion and interface)
- A COTS package will also significantly reduced system update costs in the future

The current version of Lawson (8.0.0.1) is being loaded for basic testing purposes (to address approximately 80% of the usefulness)

- Lawson is allowing Logicon to work directly with its people in the design effort

# Where are they going?

Lawson will delivery (“go live”) version 8.0.1 on 11/24/2000

- This is the version that Logicon (except the commercial pieces)will go **live** with on 7/1/2001

# Because of the 11/24 delivery and the approximately 20-25 required days to integrate, a 1/1/2001 implementation date is unreasonable

- Logicon decided against a 4/1/2001 implementation because of the resources (approx. 6 weeks) for year end closing procedures
- Also the new version requires a walk through, some testing and a design document update
- Mid year implementation requires additional work (detailed transaction conversions, etc…)
- The 7/1/2001 date will have less conflict with year end activities

# What are you doing now?

- I periodically discuss the Lawson status with Jeff Boyers
- Jeff explained that DCAA's best chance for interaction may revolve around the Activity Management System
- Logicon will include DCAA staff with all the training that its employees' receive prior to the system implementation on 7/1/2001

## DCAA will have to get involved and become familiar with the cultural changes envisioned by Logicon

- Lawson allows a more “point and click” environment (which includes SEA’s - Self Evident Applications)
- The system of internal controls built into the Lawson software package will replace many of the old manual processes

- A few examples:
- employees will input their own demographic data on-line vs submitting the documentation to human resources or payroll
- authorized employees will be empowered to purchase their own routine office supplies on-line vs submitting forms to a purchasing department

What are you doing in the ERP arena?

- Sometime prior to the 7/1/2001 implementation (probably around the time of the training session), I will again solicit assistance from our Regional EDP staff
- Perhaps perform some integrated testing and training (March to July 2000)
- My request may occur sooner if my discussions with Jeff Boyers indicate that we should proceed sooner